

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 1999

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS990132

SETTLERS LIFE INSURANCE COMPANY,

Respondent.

FINAL ORDER APPROVING PURCHASE AGREEMENT AND
RELATED TRANSACTIONS, APPROVING A CHANGE OF
CONTROL, LIFTING SUSPENSION OF LICENSE, TERMINATING
RECEIVERSHIP, AND DISCHARGING THE RECEIVER, THE
DEPUTY RECEIVER, AND THE SPECIAL DEPUTY RECEIVER

THIS MATTER CAME ON BEFORE THE COMMISSION ON THE JOINT APPLICATION ("Joint Application") of Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, in his capacity as Deputy Receiver ("Deputy Receiver") of Settlers Life Insurance Company ("SLIC"), the Respondent in this action; The Settlers Companies, Inc., a Virginia corporation which is the sole shareholder of SLIC; and National Guardian Life Insurance Company ("NGL"), a Wisconsin mutual insurance company licensed to transact the business of insurance in Virginia (collectively, the "Appellants").

The relief sought in the Joint Application is (1) the approval of the Deputy Receiver's execution of a Purchase Agreement dated December 1, 1999, and transactions contemplated therein, and in various schedules, exhibits, and appendices thereto (together, the "Purchase Agreement"), copies of which were attached to the Joint Application as Exhibit A; (2) the approval of NGL's Form A, Application for Approval of Acquisition of Control of Domestic Insurer ("Form A"), previously filed with the Commission, a copy of which was filed as Exhibit B to the Joint Application; (3) the entry of an order authorizing and directing the Deputy Receiver and his Special Deputy Receiver, Melvin J. Dillon, to carry out the terms and provisions of the Purchase Agreement without any further requirements for filing with, or approval by, the State Corporation Commission of the Commonwealth of Virginia, or its Bureau of Insurance; (4) the entry of an order vacating the suspension of the license of SLIC to transact the business of insurance in Virginia, and fully reinstating SLIC's authority to issue new policies and contracts of insurance and otherwise conduct an insurance business in the Commonwealth of Virginia; (5) ratifying and approving the actions and expenditures of the receiver, acting through the Deputy Receiver, Special Deputy Receiver, and their agents, attorneys, accountants, and employees; and (6) the entry of an order terminating these

receivership proceedings and discharging the Receiver, Deputy Receiver, Special Deputy Receiver, and their agents, employees, attorneys, and accountants, effective upon the consummation of the transactions contemplated by the Purchase Agreement.

AND THE COMMISSION, having reviewed the record herein, is of the opinion and finds:

(1) That SLIC will be restored to solvency and compliance with the requirements of Virginia law as a result of the transactions contemplated by the Purchase Agreement. No creditor, policyholder, or claimant against the assets of SLIC in receivership will have their rights adversely affected by the granting of the relief sought by the Applicants;

(2) That the Deputy Receiver, NGL, and the sole shareholder of SLIC, are all of the parties with an interest which will be affected by these proceedings, and they have joined in the request for the relief contained in the Joint Application;

(3) That the transactions contemplated by the Purchase Agreement are such that upon their completion, and upon the acquisition of the control of SLIC by NGL, pursuant to the Form A attached as Exhibit B to the Joint Application, the purposes of this receivership proceeding will have been accomplished and SLIC can safely and properly resume possession of its property and the conduct of its business;

(4) That the Form A Application for Approval of Acquisition of Control of Domestic Insurer previously filed herein and attached to the Joint Application as Exhibit B should be approved pursuant to the provisions of Virginia Code § 38.2-1326;

(5) That the Deputy Receiver, the Special Deputy Receiver, and their agents, employees, accountants, and attorneys have accomplished the purposes of these receivership proceedings and their actions and expenditures have been proper, reasonable, necessary, and in the best interests of the estate of SLIC and of its policyholders, creditors, and in the interests of the public at large. All expenses of the receivership have been paid, or provision has been made for their payment, out of the assets of SLIC; and

(6) That this receivership proceeding should be terminated and the Receiver, Deputy Receiver, and Special Deputy Receiver discharged.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED, AS A FINAL ORDER:

(1) That the Joint Application, and the transactions contemplated therein, should be, and they are hereby, APPROVED.

(2) That execution by the Deputy Receiver of the Purchase Agreement dated December 1, 1999, and the transactions contemplated in the Purchase Agreement, copies of which were

attached to the Joint Application as Exhibit A, are hereby APPROVED.

(3) That NGL's Form A with attachments previously filed with the Commission, a copy of which was filed without attachments as Exhibit B to the Joint Application, is hereby APPROVED pursuant to Virginia Code § 38.2-1326.

(4) That the Deputy Receiver and his Special Deputy Receiver, Melvin J. Dillon, are hereby ORDERED to carry out the terms and provisions of the Purchase Agreement without any further requirements for filing with, or approval by, the State Corporation Commission of the Commonwealth of Virginia, or its Bureau of Insurance.

(5) That the suspension of the license of SLIC to transact the business of insurance in Virginia is hereby VACATED and SLIC's authority to issue new policies and contracts of insurance and otherwise conduct an insurance business in the Commonwealth of Virginia is hereby REINSTATED.

(6) That the actions and expenditures of the Receiver, acting through the Deputy Receiver, Special Deputy Receiver, and their agents, attorneys, accountants, and employees are hereby RATIFIED AND APPROVED.

(7) That these receivership proceedings are hereby TERMINATED and the Receiver, Deputy Receiver, Special Deputy Receiver, and their agents, employees, attorneys, and

accountants, effective upon the consummation of the transactions contemplated by the Purchase Agreement, are hereby DISCHARGED from their duties.